

Infrastructure & Funding

Banking on New Mexico A Public Bank Symposium (September 27, 2014)

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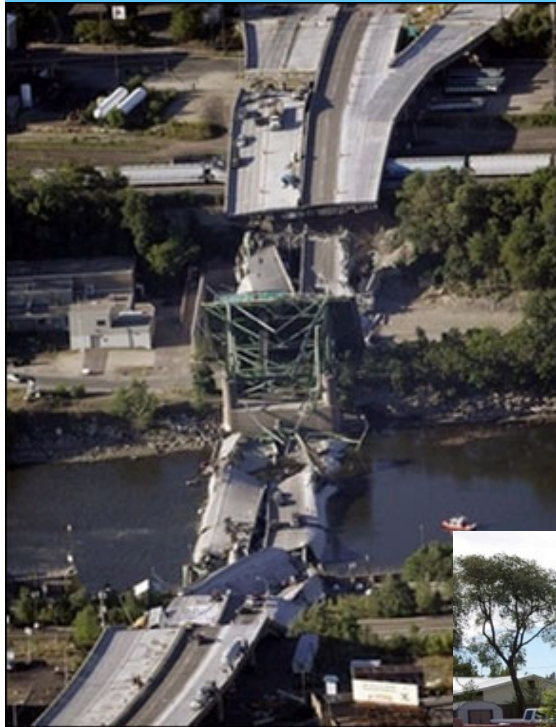
Infrastructure & Funding: Presentation Outline

- * Infrastructure
 - * Importance
 - * Report Cards for America's & New Mexico's Infrastructure
 - * Investment Needs: National, Statewide, & Local
 - * Traditional Funding Sources
 - * A Call to Action



Infrastructure & Funding

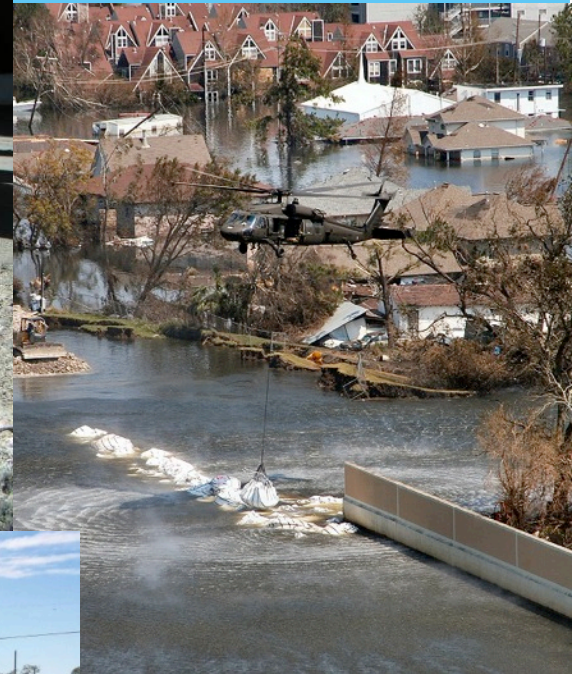
Importance of Infrastructure



I-35W Bridge Collapse, Miss. River,
Minneapolis, MN



Deteriorated Curb and Sidewalk,
Santa Fe Plaza



2005 NOLA Levee Blowout
(Hurricane Katrina)



2013 Water Main Break in Santa Fe, NM



Infrastructure & Funding:

Importance of Infrastructure

- * Essential to Support Healthy, Vibrant Communities
- * Improves Our Quality of Life
- * Foundation That Connects Businesses, Communities, and People
- * Critical for:
 - * Boosting Employment
 - * Raising Household Income
 - * Long-Term Economic Growth
- * Source of Our Prosperity



2013

REPORT
CARD

★ for ★ america's
★ INFRASTRUCTURE

March 2013

Infrastructure & Funding: America's Infrastructure Report Card

- * American Society of Civil Engineers
- * Annual Report Card
- * 2013 Cumulative Grade: D+
 - * Poor: At Risk – Below standard approaching end of service life. Exhibits significant deterioration with strong risk of failure.
- * Funding Gap Needed to Get to a Grade B (Adequate for Now)
 - * 2010 Dollars in Billions
 - * Investment Need Estimates Until 2020



Infrastructure & Funding: America's Investment Needs

INFRASTRUCTURE SYSTEMS	TOTAL NEEDS	ESTIMATED FUNDING	FUNDING GAP
SURFACE TRANSPORTATION	\$1723	\$877	\$846
WATER/WASTEWATER INFRASTRUCTURE	\$126	\$42	\$84
ELECTRICITY	\$736	\$629	\$107
AIRPORTS	\$134	\$95	\$39
INLAND WATERWAYS & MARINE PORTS	\$30	\$14	\$16
DAMS	\$21	\$6	\$15
HAZARDOUS & SOLID WASTE	\$56	\$10	\$46
LEVEES	\$80	\$8	\$72
PUBLIC PARKS & RECREATION	\$238	\$134	\$104
RAIL	\$100	\$89	\$11
SCHOOLS	\$391	\$120	\$271
TOTALS	\$3635	\$2024	\$1611
YEARLY INVESTMENT NEEDED	\$454	\$253	\$201



(Data taken from [ASCE Failure to Act Series](#) published 2011-13.)

Infrastructure & Funding:

State of New Mexico Infrastructure Report Card

- * **ASCE State of New Mexico Section**
- * **Infrastructure Report Card**
- * **2012 Cumulative Grade: C**
- * **Mediocre, Requires Attention – Signs of deterioration. Requires attention. Vulnerable to risk.**



Infrastructure & Funding: New Mexico's Investment Needs

INFRASTRUCTURE SYSTEMS	TOTAL NEEDS	ESTIMATED FUNDING (1)	FUNDING GAP
DAMS	N/A	\$0.5 ANNUAL BUDGET	
DRINKING WATER	\$933M	N/A	N/A
WASTE WATER	\$103M	N/A	N/A
PARKS AND RECREATION	\$125M	N/A	N/A
SCHOOLS	\$200M	N/A	N/A
TOTALS	\$1361M	N/A	N/A



(1) ASCE did not report estimated funding for state infrastructure needs

Infrastructure and Funding:

City of Santa Fe Infrastructure Evaluation

- * **City of Santa Fe Department Records**
- * **Needs Based on Semi-Annual Review**
- * **Investment Estimates in 2013 Dollars & Needs Estimates to 2019**



Infrastructure & Funding:

City of Santa Fe's Investment Needs

INFRASTRUCTURE SYSTEM	TOTAL NEEDS	ESTIMATED FUNDING	FUNDING GAP
STREETS	\$176M	\$4M	\$172M
BUILDINGS/FACILITIES	\$36M	\$2M	\$34M
WATER SYSTEM	\$129M	\$101M	\$28M
WASTEWATER COLLECTION & TREATMENT	\$19M	\$15M	\$4M
PARKS (1)	\$2M	\$2M	0
WATERSHED (ARROYOS & RIVER)	\$15M	\$2M	\$13M
TOTALS	\$362M	\$124M	\$238M



- (1) Park funding for infrastructure covered by two general obligation Bonds
- (2) Rate increases could be avoided through 2020 by seeking alternative funding for the Water and Wastewater Divisions

Infrastructure & Funding: Traditional Funding Sources

- * General Obligation (GO) Bonds – Requires voter approval.
- * Capital Improvement Bonds – Limited bonding capacity. Tied to gross receipts taxes (GRT).
- * Assessment District – Narrowly distributed.
- * Government Agency Funding – Highly competitive. Very limited.
 - * Water Fund
 - * Legislative Capital Outlay
 - * Local Government Road Fund
- * Loans – Interest Bearing
- * Enterprise Funds – Backed by utility rate revenues & may require rate increases to underwrite debt



Infrastructure & Funding: A Call to Action

- * **Renew Commitment to Investment**
- * **Explore All Options**
- * **Develop Innovative Financing Options**
 - * **Public/Private Partnerships**
 - * **Public Banking**
- * **Federal Investment Needed to Compliment & Leverage State, Local, & Private Funding**
- * **Appropriately Price Use of Infrastructure**



Infrastructure & Funding:

Are We Ready to Meet This
Challenge???

